

# VALLES CALDERA TRUST



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**VALLES CALDERA  
NATIONAL PRESERVE**

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**Valles Caldera Trust**  
**2011 Report to Congress**  
**Fiscal Year 2011**

# **Valles Caldera Trust**

## **Fiscal Year 2011 – Report to Congress**

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## Executive Summary

The Valles Caldera National Preserve is an 89,000-acre federal property in northern New Mexico, which was established in 2000 and assigned to be administered by the Valles Caldera Trust under a new and experimental management regime set forth in the Valles Caldera Preservation Act (Act) of 2000 (Public Law 106-248).

The mission of the Valles Caldera Trust (the Trust) is to create a successful model of public land management that protects and preserves the unique values of the Valles Caldera National Preserve (the preserve). We operate the preserve as a working ranch; strive to become financially self-sustaining; meet varied needs of visitors; strive to utilize and steward the multiple resources of the preserve; and work collaboratively with our neighbors.

Management of the preserve was transferred to the Trust in 2002; fiscal year 2011 (FY11) marked the ninth under Trust management. In this annual Report to Congress we are presenting information on the challenges and accomplishments of 2011, a discussion of the recent history under Trust management and a forward look at the strategic planning that will guide the Trust through the next few years.

All government agencies are required to complete or update existing strategic plans by February of 2012. The Trust's existing strategic plan was prepared in 2007 and will be completely revised by the February due date. The State of the Preserve, a summary of the cumulative impacts of all past, present and reasonably foreseeable future actions affecting the preserve, is also due in 2012. We are also expecting to complete long-term, comprehensive plans for the restoration and management of our natural resources and the development of facilities in support of public access to the preserve. All-in all, 2012 will mark the transition from interim management marked by experimentation, inventory and planning to comprehensive management marked by implementation, monitoring and evaluation.

Key to the future is the development of a strategic plan with clear goals and measures of performance. In today's government organizations, the environment is characterized by uncertainty, complexity, ambiguity, a diverse population, political shifts, and a rapidly changing workforce facing demands for better service. In order to set future direction, maintain focus, re-organize and commit resources, and retain the flexibility to make changes, we need to plan strategically.

The Valles Caldera Trust is committed to developing a strategic plan that will clearly articulate to the Congress as well as the public our goals for the preserve through 2018. We believe the foundation laid to date will provide for the successful management of the preserve and continued service to the public under any management or budget scenario that may transpire during the planning period.

In the future, annual reports to Congress will be directly tied to our strategic plan, allowing the Congress, as well as the public, to more clearly evaluate our progress and contribute to the management of the preserve.

## Valles Caldera Trust Background

### Overview

The Valles Caldera Trust is a wholly owned government corporation created by Congress to preserve, protect and enhance the unique landscape formerly known as the Baca Location No. 1 which was operated as a privately owned ranch for more than a century prior to its acquisition by the federal government in July of 2000. The preserve is comprised of 88,900 acres of National Forest System (NFS) land located in Sandoval and Rio Arriba counties in north central New Mexico. National Forest System land is typically managed by the United States Department of Agriculture, Forest Service. Delegating management of NFS land to a government corporation constitutes an experiment in public land management.

The Trust finances operations through direct appropriation, revenue generated from lodging, hunting, recreational activities, special use fees, grants and donations. The Act also established an “experimental management regime” which incorporates “...elements of public and private administration in order to promote long term financial sustainability consistent with other purposes...” as enumerated in the Act. The Act further established a benchmark period for attaining financial self sufficiency – 15 fiscal years.

If the trustees believe that management goals under section 108 (d) of the Act have been met, but the Trust has not achieved financial self-sufficiency as defined, they may submit to the Committees of Congress a recommendation to authorize appropriations through 2020. However, legislation pending in congress could bring an abrupt end to the Trust and the experiment in public land management. Senate bill 564 (S-564) proposes the transfer of the preserve to the National Park Service (NPS). If S-564 is passed and signed into law the Trust will be dissolved and the NPS will fund and manage the property.

The Trust is considered an agency for the purpose of compliance with Federal environmental laws, including the National Environmental Policy Act (NEPA), but remains exempt from the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1600 et seq.). The Trust is accountable to the Office of Management and Budget (OMB) and the Government Accountability Office (GAO). The Trust is required to submit annual reports to Congress, annual financial reports to OMB and the Department of Treasury, and to submit a State of the Preserve update every five years. The Trust is subject to the Government Corporation Control Act (GCCA) and to the Government Performance and Results Act of 1993 (GPRA), updated in 2010.

## Agency Goals

In addition to authorizing acquisition of the preserve as a demonstration area for an experimental management regime, the Act identified purposes for the acquisition which are directly tied to the management of the preserve:

1. Protect and preserve for future generations the scientific, scenic, historic, and natural values...including rivers and ecosystems, and archaeological, geological, and cultural resources;
2. Provide opportunities for public recreation;
3. Provide sustained yield management of the Baca ranch for timber production and domestic livestock grazing insofar as is consistent with the other purposes stated herein.
4. Incorporate elements of public and private administration to promote long term financial sustainability consistent with other purposes of the law.

In section 108, (d) the Act identified six goals for comprehensive management of the preserve:

1. Operation of the preserve as a working ranch, consistent with paragraphs (2) through (4);
2. The protection and preservation of the scientific, scenic, geologic, watershed, fish, wildlife, historic, cultural and recreational values of the preserve;
3. Multiple use and sustained yield of renewable resources within the Preserve;
4. public use and access to the preserve for recreation;
5. Renewable resource utilization and management alternatives that, to the extent practicable –
  - a. benefit local communities and small businesses;
  - b. enhance coordination of management objectives with those on surrounding National Forest System land; and
  - c. provide cost savings to the Trust through the exchange of services, including but not limited to labor and maintenance of facilities, for resources provided by the Trust; and
6. Optimize the generation of income based on existing market conditions, to the extent that it does not unreasonably diminish the long-term scenic and natural values of the area, or the multiple use and sustained yield capability of the land.

## Organizational Structure

The Trust is a wholly owned government corporation responsible for managing the preserve. The Trust is staffed by Federal employees and governed by a nine member Board of Trustees (Board). Seven trustees are appointed by the President. The two remaining seats are ex-officio positions held by the Superintendent of Bandelier National Monument and the Supervisor of the Santa Fe National Forest. The first board was empanelled on January 10, 2001 and officially



assumed management of the preserve in August of 2002. An executive director oversees an organization that includes directors of administration, enterprise, operations, natural resources, science services and other positions essential to operating this unique landscape.

## Agency Challenges and Opportunities



Photo 1 - View from Valle Grande looking at the western slopes of Cerro del Medio.

## The Las Conchas Fire

On June 26, 2011, planned operations of the preserve suffered a major interruption when the largest wildfire in New Mexico history claimed more than 156,593 acres of the Jemez Mountains including more than a third (30,034 acres) of the preserve. The day the fire broke out preserve staff executed the evacuation of visitors to perfection and in the following days and weeks provided support to firefighting teams by helping set up the Redondo Meadows Base Camp, conducting cultural resource management and participating with communications teams and firefighters. The staff was in a word “spectacular”.

However, as the fire swept across the landscape it almost ground our 2011 plan of work to halt and significantly impacted efforts moving forward. While many recreational activities will resume it is unclear whether fishing and other programs will offer the same opportunities as

before the fire. Visitation and revenue may see negative impacts if these programs do not return to their previous levels. Public Access and Use Planning to expand visitor opportunities on the preserve will now require adjustments in order to integrate the changes of our landscape into the final plan. Landscape restoration planning will now include recently burned acreage as well as the two-thirds of the preserve we need to restore to reduce the landscape's vulnerability to future wildfire.



Photo 2 - Flash flood emerging from Indios Canyon and crossing the VC14 road in Valle Toledo, July 29<sup>th</sup>. Note ash and charred logs carried downstream by the floodwaters.



Photo 3 (Above) – Dead brown trout on the banks of the Rio San Antonio following a large flash flood on July 25<sup>th</sup>.

Photo 4 (Right) - Dr. Colleen Caldwell and graduate student Matt Zeigler conduct capture-release fish sampling with an electro-shocker in Indios Creek on August 19<sup>th</sup>. They found that some brown trout had recolonized the creek, but that densities were 95% lower than pre-fire populations.



Over a hundred photos of the fire, floods, damage, fire crews, and ongoing work can be found at [www.facebook.com/vallescaldera](https://www.facebook.com/vallescaldera).

## Ecosystem Impacts

The Las Conchas fire inflicted a variety of ecosystem disturbances on the Valles Caldera National Preserve, and the legacy of this massive wildfire will influence the soils, watersheds, vegetation and wildlife for years to come. As part of the science-based adaptive management process of the preserve, the monitoring program for both natural and cultural resources shifted into high gear during and immediately after the fire. The objective was to assess the intensity and distribution of burned areas, and to establish a series of monitoring sites that would inform the preserve managers of patterns and rates of ecological recovery, particularly with respect to the preserve's watershed functions, vegetation production, wildlife populations, and fisheries. Enormous efforts will be needed to restore the remaining forests on the preserve and the western Jemez Mountains before the next ignition unleashes another uncontrollable fire.

The newly-begun Southwest Jemez Collaborative Forest Landscape Restoration Project, funded through USDA from a Congressional Act sponsored by Senators Jeff Bingaman and Tom Udall, is now attempting to restore Valles Caldera and Jemez Ranger District forests in a strategic



manner, working first on selected areas that could impede the spread of wildfires. Working with many collaborating agencies, universities, and non-governmental organizations, land managers hope to “beat the clock” and restore sufficient areas of the Jemez landscape before the next giant fire explodes. The situation is further exacerbated by the long-term drought gripping New Mexico, and the prospect for a second-straight dry La Niña winter-spring for 2011-2012.

## **Impacts to Cultural Resources**

Archaeologists were involved in the fire efforts from the initial planning, throughout suppression efforts, during the Burned Area Emergency Response (BAER), and continue with on-going post-fire condition assessments and monitoring. The goals of involvement were to identify what cultural resources might be affected by the fire, by suppression and rehabilitation activities and choices, and by post-fire secondary processes such as erosion. During the active fire, up to five archaeologists were embedded with bulldozer and suppression crews to identify significant archaeological and historic sites and prevent further damage.

In addition to direct involvement with fire and post-fire activities, the VCNP cultural resources (CR) program also was affected by preserve closures due to drought and to post-fire danger. Our ability to conduct surveys, especially in advance of project planning for forest restoration was severely curtailed. However, once access was reestablished, the CR Program returned to the field with an increased determination to regain lost survey time. As a result, despite the lost time and diversified goals of this complex season, the total survey acreage this year exceeded all prior years. Next season, our plan of work will again be affected as we conduct post-fire survey and condition assessments in the spring and early summer. Also, if the forecast of continued drought through 2012 is accurate, additional preserve closures will affect the work plan.

The fire will have some long term positive consequences for the VCNP CR program. One is that we will work to insure that the Trust has fire-qualified (“red-carded”) archaeologists available for on-the-ground assistance during and immediately after any future fires; this step will have some costs for training, certification, and equipment, but will pay off in streamlining and improving fire support and resource advisement and allowing a return to fieldwork post-fire. A second is that we will proactively seek input and dialogue from area pueblos/tribes to better understand their concerns regarding potential impacts of suppression, and priorities for protection of traditional cultural properties and cultural landscapes.

## **Impacts to Recreation and Activities**

The Las Conchas fire virtually shut down all activities and recreation almost all of July. Fisheries suffered a major setback when monsoon rains flooded burn areas and choked rivers with ash and debris that eliminated 95% of the brown trout fish population in San Antonio creek. Van

tours, guided hikes and other revenue generating activities were cancelled and reservation dollars refunded. It is unclear how soon the fisheries will repopulate or when burn areas will be suitable for recreation. The autumn elk hunts remained on schedule and were restricted to areas not consumed by the fire. Hunt staff faced additional challenges when post fire flooding made primary roads impassable creating safety and logistical difficulties. Despite the restrictions the 2011 hunts were 100% safe with no reportable accidents with 90% of hunter surveys rating their overall experience as 'excellent.

Advertising and marketing activities were severely impacted both through de-obligation of funded advertising and the lack of programs to promote. A total of 252 events were cancelled and it is still unclear how long it will take to restore the programs to guarantee a quality experience. Uncertainty around product offerings will impact not only marketing/advertising strategies but also the budget to support them. Finally, the lingering after affects of the fire created an atmosphere of visitor uncertainty with regard to the safety of visiting the Jemez Mountains so soon after the fire.

## **Public Access and Use Planning**

The Las Conchas wildfire changed the existing condition on over 30,000 acres of the preserve requiring us to revise our assessment of the existing condition of the preserve and alternatives being analyzed for restoration and management. Although the Las Conchas Fire burned through one of the sites being considered for the development of a visitor center, it did not impact the suitability of the site or substantially impact the planning effort beyond diverting staff time and incorporating new information into the reports prepared prior to the fire.

Another development that will immediately impact public access planning is the dramatic statistical increase in the preserve visitor count. A more accurate methodology and technology was employed in 2011 and revealed actual visitation is four times greater than previously recorded.

## **Increased Visitation**

Tracking visitor numbers is a critical tool in both planning and managing a public resource such as the VCNP. Prior to 2011, visitor totals on the preserve were calculated by counting actual visitors who participated in an activity or visited one of our two staging areas. It was long suspected that visitation was greater than the earlier counts and public access planning required a more accurate assessment. In order to secure a more accurate account the Trust purchased traffic counters and infrared trail counters and deployed them during the 2011 fiscal year.

The Trust consulted with the National Park Service statistician to define protocols and ensure a visitor counting system that was consistent with those of other public land agencies. As a result

the system now used provides a reasonable comparison of visitor counts with other public lands and will ultimately allow a better analysis of visitation patterns. The Trust collected data from advanced counters at ten locations and cross checked them with random vehicle surveys. The raw data were analyzed and adjusted to account for Las Conchas Fire personnel, employee activity and double counting. The results were startling.

The number of visitors at the VCNP during 2011 is reasonably estimated to be 97,552 which is almost 4x the official visitor count from FY 2010 which was tallied using the former method. The numbers do not include the estimated 160,611 visitors at the two NM Hwy 4 pullouts. Incorporating those visitor numbers and the 1.2 million people who annually travel the NM Hwy 4 Byway, into a visitor's center plan will be critical to attracting more visitors and ensuring a quality experience.

The Trust's Director of Operations, Dr. Tim Haarmann, managed the project and continues to monitor and collect data. Haarmann says some adjustments will be made to refine the collection process and include areas missed last year. Another year of data to compare with 2011 will provide an even clearer picture of visitation and trends moving forward.

## Budget and Finance

The annual budget of the Trust is comprised of current FY appropriations (Treasury Account 1106), and revenue generated from operations (Treasury Account 5363). In addition to traditional expenditures such as salaries and benefits the Trust is responsible for non-traditional agency operational costs e.g. the purchase of liability insurance. Post fire costs including the re-establishment of the fisheries, rehabilitation and restoration of the burn areas and any unforeseen impacts will affect future budgets. Since 2003, the Trust has never had a claim filed against it, nor against the insurance company; as such, the premium has increased solely in response to increased visitation by the public. Should the Trust's liability insurance actually sustain a valid claim, it is very likely that private liability insurance would thereafter be either unobtainable or unaffordable.

In 2009 the Board of Trustees recognized that additional, non-revenue producing costs and a reduced appropriation (\$500,000 decrease from 2009 to 2010) made the goal of financial self sufficiency impossible. The Trust recommended modification of the self sufficiency requirement to a more realistic maximum "cost recovery" mandate to the congressional delegation. The challenging economic environment is expected to impact visitation revenue, and the Trust's overall budget. The following table represents appropriations, revenues, and expenditures from 2007-2011.

Table 1 Fiscal Year Budget summaries for 2007 – 2011

| FISCAL YEAR  | ANNUAL             | ACTUAL              | ACTUAL              | PROGRAM          |
|--------------|--------------------|---------------------|---------------------|------------------|
|              | APPROPRIATION      | EXPENDITURES        | EXPENDITURES        | REVENUES         |
| ACCOUNT CODE | 1106               | 1106                | 5363                | 5363             |
| <b>2007</b>  | <b>\$3,500,000</b> | <b>\$3,378,865</b>  | <b>0</b>            | <b>\$749,957</b> |
| <b>2008</b>  | <b>\$3,691,500</b> | <b>\$3,631,398</b>  | <b>\$59,366</b>     | <b>\$691,570</b> |
| <b>2009</b>  | <b>\$4,000,000</b> | <b>\$4,322,704*</b> | <b>\$585,302</b>    | <b>\$609,219</b> |
| <b>2010</b>  | <b>\$3,500,000</b> | <b>\$3,451,981</b>  | <b>\$2,198,139*</b> | <b>\$709,227</b> |
| <b>2011</b>  | <b>\$3,433,000</b> | <b>\$3,356,073</b>  | <b>\$1,391,363*</b> | <b>\$795,110</b> |

\*It must be noted where expenditures exceed appropriations and revenues, funds unused from previous years (including those prior to FY 2007) dollars are carried over and placed in the treasury account during ensuing fiscal years. Such is the case in FY 2009 account 1106 expenditures and in account 5363 expenditures 2010 and 2011. It was FY 2010 when the Trust approved use of revenue funds to lease, furnish and staff the Science and Education Center.



The following table represents the FY 2010 expenditure and revenue summary for the Trust. The annual appropriation for FY 2011 was \$3,433,000.

Table 2-Fiscal Year 2011 Budget Summary

| <b>FY2011</b>                 | <b>ACTUAL</b>      | <b>ACTUAL</b>      | <b>PROGRAM</b>   |
|-------------------------------|--------------------|--------------------|------------------|
|                               | EXPENDITURES       | EXPENDITURES       | REVENUES         |
| <b>PROGRAM</b>                | 1106               | 5363               | 5363             |
| <b>ADMINISTRATION</b>         | \$1,399,629        | \$114,961          | \$26,317         |
| <b>COMMUNITY SERVICES</b>     | \$16,400           | \$0                | \$0              |
| <b>FISHING PROGRAM</b>        | \$0                | \$55,001           | \$60,281         |
| <b>FACILITY RENTALS</b>       | \$0                | \$29,90172,501     | \$28,585         |
| <b>HUNTING PROGRAMS</b>       | \$0                | \$117,547          | \$324,200        |
| <b>INVENTORY/MONITORING</b>   | \$419,636          | \$0                | \$0              |
| <b>INFRASTRUCTURE</b>         | \$0                | \$3,793            | \$0              |
| <b>PLANNING</b>               | \$181879           | \$0                | \$0              |
| <b>OPERATIONS</b>             | \$750,823          | \$0                | \$23,817         |
| <b>SUMMER RECREATION</b>      | \$0                | \$300,172          | \$43,795         |
| <b>STORE SALES, ADM</b>       | \$0                | \$254,878          | \$136,351        |
| <b>SPECIAL USES</b>           | \$0                | \$4,902            | \$9,577          |
| <b>WINTER RECREATION</b>      | \$0                | \$93,571           | \$22,706         |
| <b>STEWARDSHIP COMPLIANCE</b> | \$123,946          | \$0                | \$0              |
| <b>SPECIAL EVENTS</b>         | \$0                | \$93,804           | \$42,742         |
| <b>SCIENCE/EDUCATION</b>      | \$                 | \$322,833          | \$97,497         |
| <b>CFLRP Match</b>            | \$463,750          |                    |                  |
| <b>ALL PROGRAMS</b>           | <b>\$3,356,073</b> | <b>\$1,391,363</b> | <b>\$795,110</b> |

## Liability Insurance

The Trust does not have access to the permanent Judgment Fund (section 1304 of title 31, U.S.C.) for a claim, judgment or settlement. Consequently, the Trust must purchase its own insurance for liability, vehicles, and volunteers. As the number of visitors and public programs increase the cost of insurance will continue to consume a larger portion of the Trust's appropriated budget. In 2007 the cost was \$40,878 and more than doubled to \$83,800 in 2008. Premium costs continued to rise to a high of \$88,334 in FY 2011. Since 2003, the Trust has never had a claim filed against it, nor against the insurance company; as such, the premium has increased solely in response to increased visitation by the public. Should the Trust's liability insurance actually sustain a valid claim, it is very likely that private liability insurance would thereafter be either unobtainable or unaffordable.

## Performance to Goals

The history of the Trust and its accomplishments is best illustrated by the annual performance to the goals and purposes of the act. In the following pages we have captured some of the major accomplishments during the last five years and attempted to show the progress the Trust has made in those key areas. In effect the following pages provide a history of how the Trust built the current foundation from which it will transition to a new strategic plan and direction.

### **Goal #1 - Protect and preserve for future generations the scientific, scenic, historic, and natural values...including rivers and ecosystems, and archaeological, geological, and cultural resources.**

Soon after the federal government assumed ownership of the p, the Trust learned that the existing infrastructure—such as roads, buildings, fences, and water treatment facilities—was seriously degraded and in need of rehabilitation. Since then, the Trust has upgraded many of the roads to all-weather gravel standards to provide open public access and support the Trust's land management activities. To enhance safety and public viewing of the preserve, the Trust also installed kiosks, scenic turnouts, and reconfigured the entry and exit at New Mexico Highway 4, the main access road to the preserve.

Initially the Trust conducted minor maintenance on the ranch buildings used to house employees and documented the condition of structures of historic value throughout the preserve. In addition, the Trust repaired the preserve's 54 miles of boundary fences—including adjusting their height to allow for elk movement—and installed signs restricting access to the preserve. The Trust rehabilitated interior fences, livestock corrals and added a new temporary contact center building in 2009. However, rehabilitation of the deteriorating infrastructure is expensive and time consuming. Deferred maintenance costs for existing buildings alone are more than a million dollars. In addition, unexpected road, forestry and stream rehabilitation necessitated by the Las Conchas Fire demand immediate attention and funding which places other planned projects on "hold".

Table 3 – Summary of accomplishments toward the goal of protecting and preserving the natural and cultural resources of the Valles Caldera National Preserve during 2007-2011

| <b>Protect and Preserve</b>                    | <b>2007</b>   | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  |
|--|---|--|--|--|--|
| <b>Cultural Resources Inventory Monitoring</b> | Documentation /evaluation of 18 historic structures completed<br><br>67 new cultural sites recorded and 36 revisited. | Cultural surveys completed on 960 acres and initiated dendroglyph volunteer program.<br><br>Documentation / evaluation of 53 new prehistoric and historic sites 122 sites visited and 69 revisited | Cultural surveys completed on 1260 acres 13% of preserve now surveyed.<br><br>27 new sites were documented 35 revisited  | Cultural surveys completed on 900 acres.<br><br>65 new sites were documented and 39 revisited                              | Cultural surveys completed on a record 1485 acres.<br><br>21 new sites were documented and 137 revisited |
| <b>Roads and Restoration</b>                   | 190 miles of passable roads inventoried<br><br>Construction on NM Hwy 4 entrance begun                                | NM Hwy 4 entrance construction completed   | Planning in compliance with NEPA completed for restoration activities in San Antonio Watershed.  | 23 miles of road maintenance completed and ADA upgrades to facilities completed  | 64 miles of road maintenance completed   |
| <b>Inventory and Monitoring</b>                | Trust invested \$500k in inventory, monitoring and research   | Trust invested \$673k in inventory, monitoring and research  | Trust invested \$660k in inventory, monitoring and research  | Trust invested \$738,764 in inventory, monitoring and research   | Trust invested \$419,636 in inventory, monitoring and research   |
| <b>Comprehensive Planning</b>                  | Completed a preserve-wide forest inventory  | Completed a comprehensive, quantified assessment of the existing condition and ecological departure of the preserve's natural systems  | Collaborated with partners to develop a 10-year strategy for forest restoration. Initiated planning and decision-making on the proposed Landscape Restoration and Management Plan. | Continued forest restoration planning and analysis incorporating changing condition brought about by the Las Conchas Fire. | Completed a preserve-wide forest inventory   |
| <b>Forest Thinning</b>                         | Completed 90 acres forest   | Initiated planning on 500  | Signed a decision to   | Completed planning on two  | Awarded a 380 acre forest  |

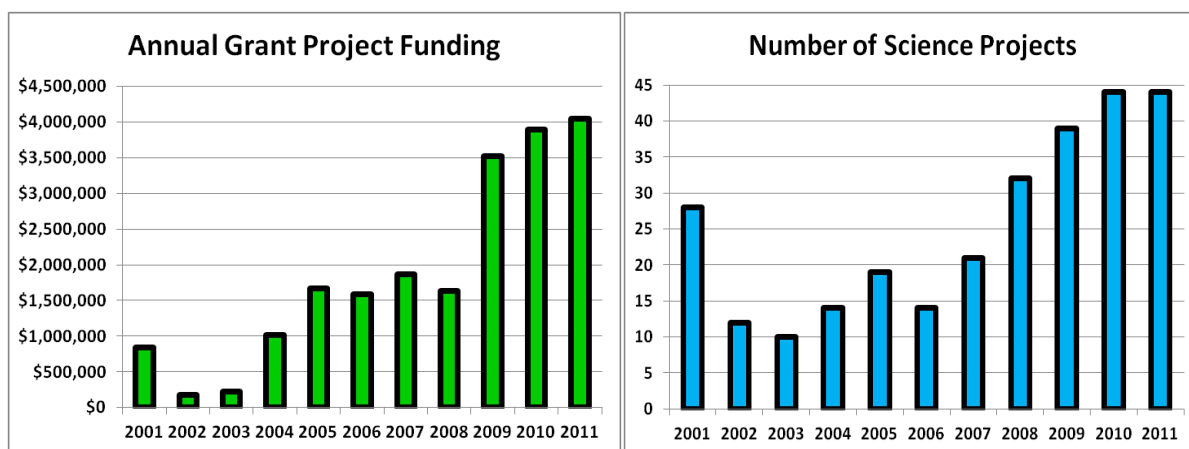
|                              |  |   |   |   |   |
|------------------------------|--|---|---|---|---|
|                              | thinning.  | acres forest thinning   | conduct prescribed burning in collaboration with Bandelier National Monument 730 acre on Bandelier and 230 acres on the Preserve)Completed planning on 500 acres of forest thinning   | thinning projects: 185 acres and 380 acres. Expanded previous thinning project by 185 acres Completed 890 acres forest thinning.  | thinning contract and 387 acre slash disposal contract.   |
| <b>Science and Education</b> | Trust received equivalent of ~\$1.8 million extramural funding for inventory, monitoring and research. 28 research projects were conducted on the preserve | The Trust received 1.6 million of extramural funding for inventory, monitoring and research.<br><br>32 research projects were conducted on the preserve | The Trust received \$3.5 million of extramural funding for inventory, monitoring and research.<br><br>39 research projects were conducted on the preserve<br><br>Trust acquires new SEC to host and expand on education programs, | The Trust received \$3.9 million of extramural funding for inventory, monitoring and research<br><br>44 research projects were conducted on the preserve<br><br>SEC renovation completed and hosted education programs which generated \$62,000+ revenue. | The Trust received \$4.1 million of extramural funding for inventory, monitoring and research<br><br>44 research projects were conducted on the preserve<br><br>SEC hosted education programs which generated \$97.5K in revenue. |

Because of its flexible structure the Trust is able to quickly reallocate personnel, funds, and resources to unexpected needs. A major factor the quick response capability is Trust's commitment to using science based adaptive management. Adaptive management monitors the natural systems of the preserve, the human activities that affect them and uses the monitoring information to revise management goals and activities. Therefore, under its science-based adaptive management approach, the Trust makes land management decisions on the basis of scientific research and monitoring, taking into account the public's views and federal environmental requirements.



In August 2009, the Trust leased facilities and created a state of the art new science and education center (SEC) adjacent to the Trust's headquarters in Jemez Springs. The facility includes a teaching laboratory, classrooms, offices, a dining hall, and lodging for visitors participating in the center's formal and informal science education programs for all age groups. The SEC was outfitted and funded with revenue funds from Trust- activities and not with appropriated tax dollars. It has attracted major universities, public and private school students/teachers, volunteer groups and retreat programs from private, corporate, NGO or government organizations. The SEC increased 2011 revenue to \$97,497.00 in FY 2011 from the \$62,298.00 earned during its first full year of operation in FY 2010. This does not include the more than \$4.0 million in annual grant project funding associated with the science projects hosted at the preserve in 2011. The graphs below illustrate the annual growth in the number of science projects and the funding thereof at the VCT since 2001.

Figure 1 - Graphic summaries of extramural funding (left) and number of permitted scientific studies (right) on the Valles Caldera National Preserve, 2001-2011. Funding data based on information provided by project Principal Investigators



## Goal #2 - Provide opportunities for public recreation

Beginning in 2002, the Trust granted the public limited access to the preserve for recreational activities; in most cases, it has charged a fee for access to these activities. In the beginning, public recreation was confined to guided hikes or van tours. During the last 9 years the Trust increased the number of activities, expanded to year round operations (open seven days a week) and instituted a robust marketing and advertising program that included radio, print, face to face and social media. Activities include:

- **Hunting.** The Trust works with the New Mexico's Department of Game and Fish to award elk-hunting licenses. The program is the largest revenue producer. In 2008, the Trust added a turkey hunt. Both elk and turkey habitats were affected by the Las Conchas Fire. However,

hunt managers were able to make adjustments to maintain the integrity and quality experience of the fall 2011 elk hunt. The same is expected of the spring 2012 turkey hunt.

- **Fishing.** Originally a lottery based program fishing access is granted through reservation and on a first-come, first-served basis for unreserved reaches. In 2009 the Trust began allowing anglers to drive their own vehicles to assigned stream reaches and in 2010 extended hours of operation. The Las Conchas Fire severely impacted the program which virtually ended for FY2011 when the fire began on June 26<sup>th</sup>. At publication time it remained unclear whether the fishing program will return in its entirety in FY 2012.
- **Hiking.** Visitors have been allowed to hike at the preserve since 2002, first in guided hikes, then on their own. The Trust has increased the number of hiking trails to 14 and now has more than 54 miles of trails. The Las Conchas fire impacted several trails in 2011 but all are expected to be operational in 2012.
- **Other Recreational Activities.** The Trust also offers horse-drawn wagon rides, sleigh rides, van tours, snowshoeing, cross-country skiing, stargazing lectures, horseback riding, mountain biking, group tours and seminars, workshops, and special events including a marathon run and the Jemez Mountains Elk Festival.

Table 4 – Summary of accomplishments during 2007-2011 toward the goal of providing opportunities for public recreation.

| Recreation                                | 2007   | 2008  | 2009   | 2010   | 2011  |
|---|--|---|--|--|---|
| <b>Increase Activities and Attendance</b> | Add new low cost programs w/o reservations to increase visitation.         | Summer recreation expanded to seven days a week<br><br>Hosted an open house to market facility rental opportunities | Fishing fees reduced to \$35 from \$50 on the East Fork. Anglers permitted to drive their own vehicles to the San Antonio reaches.<br><br>Initiated Jemez Mountains Elk Festival | Marathon registration almost doubles to 535<br><br>Elk Festival partnerships generate ~ 2k visitors.           | Marathon registration reaches 760 which is a 42% increase over 2010<br><br>Elk festival expanded to nine days marketing attracts 2k+ visitors |
| <b>Increase Public Access and Revenue</b> | Visitation increases 25% to a record 12,405 with a 10% increase in revenue | Visitation increases 23% to a record 15,238 with a 5% increase in revenue   | Visitation increases by 2% but revenue decreases 11%   | Visitation increases by 59% with a 15% increase in revenue<br><br>Merchandise sales increase by 89% to ~\$104k | Despite fire visitation increases by 13% with an 8% increase in revenue<br><br>Merchandise sales increase by 15% to ~\$120K                   |

|                                       |   |   |  |  |  |
|---------------------------------------|---|---|--|--|--|
| <b>Improve Visitor Experience</b>     | Revenue per visitor reduced by 12% to \$45.                           | Upgrades to Casa de Baca Lodge and the Bunkhouse contributed to increase in lodging                             | A new 900 sq ft information center was purchase and installed at the Valle Grande Staging Area in Sept 2009  | Total miles of hiking trails doubled to 54+  | <p>More accurate visitor counting program discovers 97,552 visitors which is almost 4X the ~25k visitors logged under the former counting method.</p> <p>Revenue per visitor drops to \$6.34 per visitor with the new visitor count</p>  |
| <b>Public Access and Use Planning</b> | Hosted four public meetings to support public access and use planning | Initiated and assessment of market and revenue potential associated with public access and use of the preserve. | <p>Initiated public access and use plan including additional public meetings</p> <p>Published NOI in Federal register to initiate PAUP scoping process</p> | Developed alternatives for public access and use – alternative sites for development, scales of development and transportation methods, sought public comment. | <p>Continued with environmental analysis of public access and use plan.</p> <p>The preserve was selected as a site for a national design competition sponsored by the National Park Service and Van Alen Institute.</p> <p>More accurate visitor count aids Public Access and Use Planning</p> |

### **Goal #3 - Provide sustained yield management of the Baca Ranch for timber production and domestic livestock grazing insofar as is consistent with the other purposes stated herein.**

The preserve's lands encompass just under 60,000 acres of conifer forest and, at the time the Trust was established, these lands were envisioned as a possible source of revenue toward the Preservation Act's goal of making the land a model for multiple-use sustained-yield management. But the Trust's forest inventories have revealed a lack of marketable timber,

significant ecological departure and the potential high severity fire. While the ecological departure has been brought about by a variety of factors including logging, grazing and the exclusion of fire, the dearth of large and old trees is the direct result of past logging practices. Intensive logging since the 1930's removed the largest and healthiest trees, often through clear-cutting with little to no thought to sustainability. Therefore, the Trust's forest management efforts to date and into the foreseeable future will focus on restoring forest health, reducing the risk of large fires, and protecting watersheds. These efforts have also included identifying the most effective means of reducing hazardous fuels and a potential market for the sale of wood products (poles, mulch, pellets), sometimes in collaboration with local businesses.

Given that the Act requires keeping the preserve as a working ranch, grazing has been a central activity since the Trust began. Over the years, the grazing program's objectives, scope, and size have changed repeatedly, in response to annual scientific assessments of forage availability, as well as shifting directives from the Board. In addition, because the preserve is now federal land, continued grazing required completion of a NEPA environmental assessment. The Trust's ultimate goal is to create a long-term grazing program that is ecologically as well as economically sustainable.

To date, the Trust has piloted a number of grazing programs, beginning in 2002 with a small drought-relief program, which allowed just over 700 cow-calf pairs belonging to local ranchers to graze on preserve pastures for 5 weeks. The Trust also hosted a "conservation stewardship" program for local ranchers, allowing about 200 cattle in each of 2 years to graze on preserve lands for about 4 months while the ranchers implemented conservation measures on their own lands. In addition, the Trust has conducted a breeding program for 3 years to benefit local ranchers and has tested varied cattle management tools in an attempt to net financial gain for all participants. In 2006, the Trust switched to a research-oriented grazing program, which assessed the effects on cattle forage of controlled burning of the grasslands; initial findings suggested that such burning improved forage quality. Then in 2008, the Trust attempted to make a profit from grazing, allowing nearly 2,000 head of cattle to graze at the preserve over a 4-month period resulting in \$58,000 in gross revenues. Because the cattle were brought in from Mexico and were sold in Texas, this effort prompted local criticism. Moreover, the sheer number of cattle created conflicts with fishing and other recreational activities.

In 2009, grazing once again took on a research emphasis and was intended to benefit local communities. A joint proposal presented by New Mexico State University, Jemez Pueblo and The New Mexico Beef Cattle Performance Association (NMBCPA) was selected because it included community, educational, economic and scientific elements that extend benefits beyond the borders of the preserve. The plan focused on the development of a high altitude performance testing facility for virgin bulls and replacement heifers. The program also developed a grazing plan to benefit both the natural resources and performance of grazing cattle and included local cattle growers from the Jemez Pueblo Livestock Association. In addition to raising its cattle on the lush pastures of the Valles Caldera the Jemez Pueblo and its Livestock Association benefitted through a summer rest period of its pastures which enhanced



the condition of its grazing lands. The result was a healthier, stronger, and more profitable herd as well as a more resilient home rangeland.

The joint program ran for three consecutive grazing seasons through the summer of 2011. The Las Conchas Fire impacted a small percentage of the grazing lands and forced the removal of some cattle from the preserve for safety reasons. However, all indications are the pastures will return for a 2012 grazing season provided the forage and range readiness report support such an endeavor.

Table 5 - Summary of accomplishments during 2007-2011 toward the goal of providing sustained yield management for timber and livestock grazing.

| <b>Ranching</b>          | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   | <b>2011</b>  |
|--------------------------|---|---|---|---|--|
| <b>Livestock Program</b> | Trust made a profit from grazing after instituting an RFP process | Trust ran its largest cattle operation ever w/ 1960 yearlings and a profit of \$58,172. | High altitude bull evaluation program included in grazing program | High altitude bull evaluation program included Jemez Pueblo and Navajo nation cattle growers. | High altitude bull program run for third consecutive year.<br><br>220 locally owned cattle participate<br><br>Cattle grazing field day for local cattle growers provides education on bovine diseases<br><br>60 day field trial conducted to determine effectiveness of feed supplement. |
| <b>MUSY Management</b>   |   | Trust completed an Environmental Assessment (EA) with a FONSI                           | Public comment completed on EA and decision implemented           |   | National Youth Ranch Camp hosted by NMSU and VCT   |

**Goal #4 - Incorporate elements of public and private administration to promote long term financial sustainability consistent with other purposes of the law.**

The Preservation Act envisioned the timber, grazing, and recreational resources of Valles Caldera as potential generators of revenue that would put the Trust on the path toward financially self-sustaining land management. Over its existence, the Trust discovered it had no marketable timber, but has experimented with a number of grazing options and expanded recreational opportunities. Collectively, from 2007 through 2011, the Trust's grazing, recreation, and other activities generated an annual average of about \$711,000 in gross revenues. Since its inception in 2000 through 2011, the Trust received almost \$38 million in federal funding for an annual average of about \$3.45 million during the period.

Table 6 - Summary of accomplishments during 2007-2011 toward the goal of using public and private administration practices to promote long term financial sustainability.

| Promote Financial Sustainability      | 2007  | 2008   | 2009   | 2010  | 2011   |
|---------------------------------------|---|--|--|---|--|
| <b>Employ Best Business Practices</b> | <p>Converted accounting from NBC to NFC which reduced annual administrative costs by ~225k</p> <p>Signed agreement with USFS ASC to provide management reports</p> <p>Digital communications system installed and operational on preserve</p> <p>Trust employed 12-15 local residents</p> | Trust contracted with Entrix to develop a business plan to maximize revenues | Entrix report completed and published  | IT extended to new facilities including SEC and Bridge House  | <p>Began conversion from Pay band to GG pay system and classification.</p> <p>Conducted review of key administrative policies</p> <p>Local Internet service and bandwidth improved through upgrades to MPLS and EIA lines an installation of PBSX VLS system</p> |
| <b>Conduct Financial Audits</b>       | Contract to conduct financial audits 2004-07 awarded and begun in Sept.   |  | Financial audits for year 2004-2008 completed. The audit reported 25 findings of which 15 were material found in the initial audit for 2004. | Financial audit for FY 2009 was completed with six findings of which one was material, and unqualified results. | Financial audit for FY 2010 completed. The audit reports six findings and unqualified results. It was the first audit w/o a material finding.  |

|                                      |   |   |   |  |   |
|--------------------------------------|---|---|---|--|---|
| <b>Marketing and Communications</b>  | Attended multiple trade show marketing events to promote fishing,, elk hunting and turkey hunting | Attended multiple trade show marketing events to promote fishing,, elk hunting and turkey hunting | <p>Marketing and communication manager hired and advertising budget assigned</p> <p>Initial marketing/advertising effort generated 2 million impressions</p> <p>Attended multiple trade show marketing events to promote fishing,, elk hunting and turkey hunting</p> | <p>Marketing/advertising expands to social media, regional /local print and radio.</p> <p>Combination of all media generates ~ 9 million impressions increases attendance by 59% and revenue by 15%</p> <p>Redesign and distribution of brochures features Super Volcano</p>     | <p>Marketing and advertising expands to multiple radio outlets and local media and a more</p> <p>Despite fire and media de-obligations impressions exceed 10 million</p> <p>Attended multiple trade show marketing events to promote fishing,, elk hunting and turkey hunting</p> |
| <b>Income From Timber Operations</b> |   |   |   | <p>Small diameter trees chipped on site and removed for landscaping material, eliminating slash disposal costs.</p> <p>Federal Grant (ARRA) funded forest thinning activities.</p> <p>Trust and SFNF awarded 35 million to fund forest restoration activities over 10-years.</p> |   |

## Conclusion

Fiscal year 2011 was a year of wildfire, uncertainty and transition. When the Las Conchas fire scorched 30,000 acres of the preserve, it had a profound impact on both the geographical and business future of the Valles Caldera Trust. The current pending legislation, which calls for the transfer of the management of the preserve to National Park Service, created uncertainty among employees as well as potential business partners. These factors, combined with the uncertain economic future of the Trust, a change in leadership, and the resizing of the organization, marked the beginning of a transition from the interim management of the preserve to a more comprehensive management. This comprehensive approach will be the roadmap for the management strategy for the next seven years.

A key element in the transition from interim to comprehensive management was the creation and implementation of a Strategic Plan (SP). The SP will take into account the recent changes in the current political, economic and ecological landscapes. The SP will describe the future direction of the agency and will include a set of broad goals for the management of the preserve. It will focus on the stewardship of the preserve while improving public access and use.

We plan to submit the SP to the Office of Management and Budget (OMB) for review in February 2012. Once the SP is approved by OMB and Congress, the Trust will develop an Annual Performance Plan (APP). The APP will define, among other things, annual work plans, budgets and individual performance goals that align directly with goals and objectives articulated in the SP. In addition, the APP will include specific and measurable milestones for the achievement of the performance goals. The Trust expects to submit the APP within 60 days of the approved SP. The Trust will also prepare an annual Report to Congress (RTC) which will detail the planned goals and accomplishments of FY 2012. The annual report will be submitted no later than January 15, 2013.

As we have progressed with the management of the preserve, the experimental nature of the Trust has allowed many successes. Specifically, in the areas of science-based adaptive resource management programs, integration of research and education, unique outdoor recreation programs, collaborative partnerships with primary stakeholders, and an unprecedented recovery of direct costs associated with the management of a unit of National Forest System land. In conclusion, the accomplishments of the Trust and the staff are admirable when one considers the natural and political challenges that faced the agency during Fiscal Year 2011.